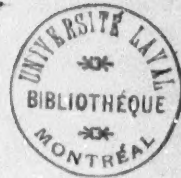






# OUR CANADIAN RELATIONS.

A LETTER



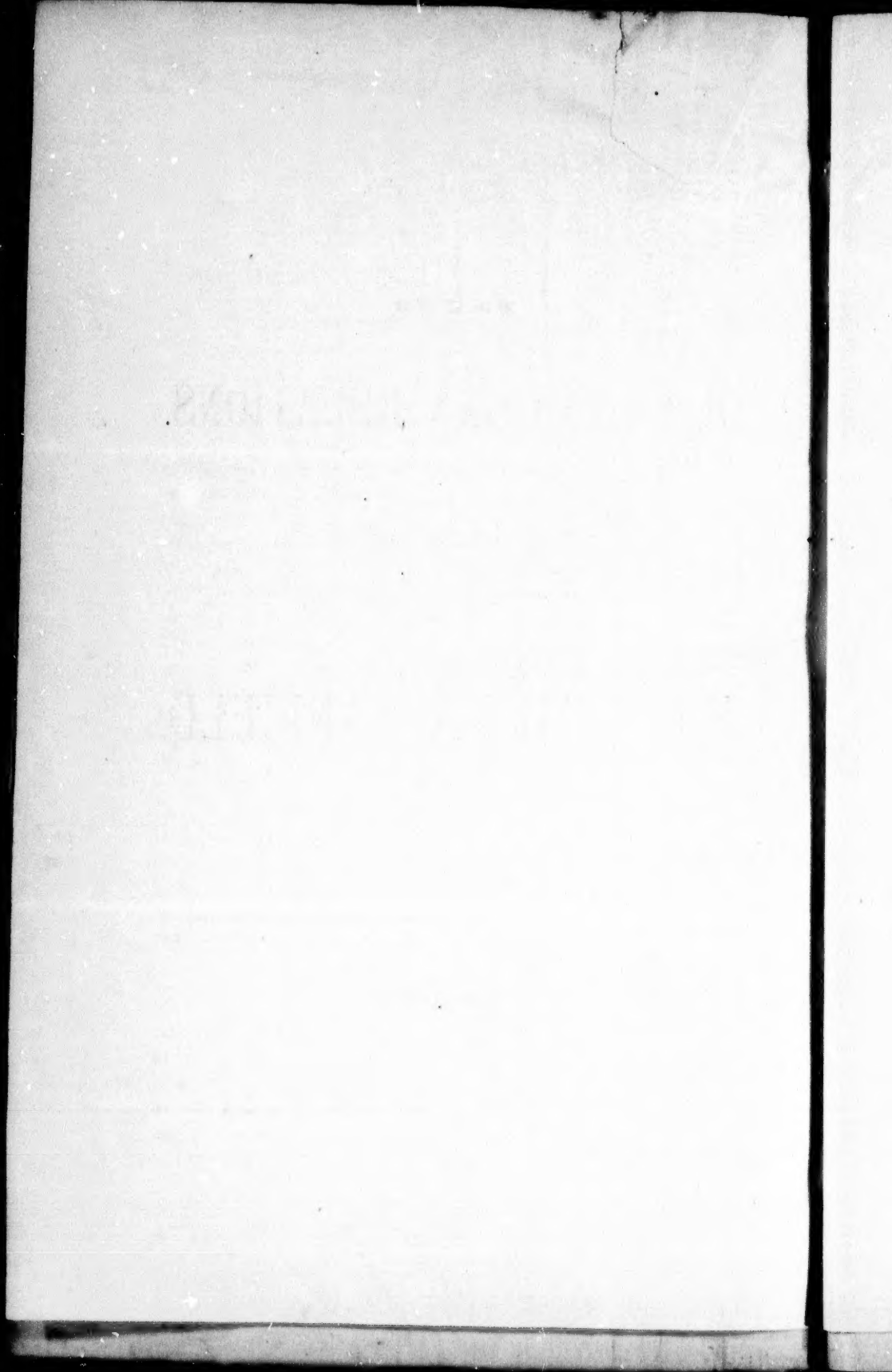
—TO—

HON. JAMES A. GARFIELD,

—BY—

WHARTON BARKER.







*Philadelphia, April 27th, 1880.*

HON. JAMES A. GARFIELD, House of Representatives,

Washington, D. C.

MY DEAR SIR: I have just learnt that the subject of our commercial relations with Canada will be before the House Committee of Ways and Means, in an indirect way, at an early date. I take the liberty of calling your attention to some important consideration, which I believe should have great weight in moulding our national legislation in that regard.

The Dominion of Canada, as we all know, is a purely artificial union of English Colonies, which possesses no internal coherence. Its different members, or provinces, have with each other but slight affinities of any sort, and in commercial interests any one of them would naturally be more closely associated with the adjacent States of our own country than it is with any of the rest. Their union under a common government was effected partly by political pressure and partly by fiscal inducements held out by the mother country. One such was the aid given to erect an unprofitable railroad, by which to effect some channel of communication between the seaboard and the inland provinces, during that large part of the year when the St. Lawrence is impassible, and thus to obviate the necessity for the latter making their way to the sea across our own territory. The policy of England in effecting this union does not concern us, except as it looks toward the commercial isolation of the Dominion from the continent to which it belongs, and its commercial dependence upon a continent with which it has only artificial relations.

The financial position of the Dominion, whether under its recent policy of Free Trade, or its present policy of moderate Protection, has not been satisfactory. She has \$170,000,000 of debt, the interest of which presses more heavily upon her resources than does that of our debt upon those of the United States, as is shown by the annual deficits in her budget and the all but bankruptcy of most of the Provinces. She contributes to our country a larger

quota of immigrants, in proportion to her population, than does any other country. She is, therefore, more than ready to accede to any reasonable arrangement which will give her a larger freedom of trade with her neighbors on our side of the line. She indicated this in her proposal for a Reciprocity Treaty in 1873, and only the failure of that Treaty in the Senate prevents her from making renewed offers. Her present Tariff, as was avowed by its chief author, Sir Leonard Tilly, was intended to force us to make concessions as regards commercial relations.

In these circumstances it seems to many of us a perfectly wise and proper thing for the United States to take the initiative towards an adjustment of our mutual interests. But that this should not be in the direction of Reciprocity, but towards a continental *Zollverein* or Customs Union, like that which Prussia in 1828 formed with the lesser German states. Such a Union would establish absolute freedom of trade between the two countries. It would be based upon a common Tariff, enforced on the seaboard only; and the receipts from duties would be divided between the two countries according to population, or on some other just basis. My reasons for urging this, as preferable to Reciprocity, are briefly as follows:—

1. If we may judge what Canada means by Reciprocity, from the proposals of the unfortunate treaty of 1873, or from the terms of that of 1854, then that measure is so one-sided and unfair to our own country as to deserve no consideration at our hands. Her first offer in 1873 was simply to allow of a completely free interchange of agricultural products between the two countries. Under Mr. Secretary Fish's leading, they enlarged this to include all those coarser grades of manufacture, which were found to exist even in a British colony practising Free Trade with the mother country, and in which the Canadians might be expected to hold their own against our competition.

The great object of such Reciprocity manifestly is to throw open to the Canadian farmer, our Eastern markets for agricultural products and raw material. That market has been created through the development of manufactures in our Eastern and Middle States, beyond the capacity of their agriculture to supply food to the people thus employed. Canada has had no share in the sacrifices made for the development of these manufactures. She has followed the easier policy of buying in the cheapest and selling in the dear-



est of the markets she found open to her. She has done nothing to create other and more advantageous markets on her own soil by the diversification of her industry. It is true that she has just awakened to the necessity of doing something. Her perennial poverty has prompted the adoption of what is called a "National Policy" to that end. But the one year of that Policy, of course, has not effected any great change, and Canada is still an agricultural country, anxious for access to the better markets created in our country for her corn, her timber, and other raw materials.

I think it is self-evident that such Reciprocity—and we have no other proposed—would be unjust, not so much to the manufacturers of the East, as to the farmers of our great West. In ordinary years four-fifths of the grain which crosses the Allegheny watershed is consumed by the people of the Eastern States, and only one-fifth is exported. To deprive our Mississippi Valley of this great market for provisions, for the sake of Canada, at the very time when the settlement of Manitoba promises to make her a great wheat-producing country, and a leading competitor with us for the supply of wheat to Europe, would be neither wise nor patriotic.

2. The Reciprocity plan would still entail upon us the maintenance of the expensive custom-house system which now lines our common frontier, and which will grow more costly with every expansion of the two populations, and the consequent increase of their points of contact. And, while always costly, that custom-house line must always be inefficient. Every inequality in the duties imposed by either country upon European goods, every duty imposed by either upon the products of the other, presents temptations to bold and lawless spirits, to indulge in a little "Free Trade" at the less observed points of this long and purely conventional frontier. No fiscal system can be enforced by either country which does not obliterate that line, and retain the seaboard as the only customs-line for the American continent. But no measure of Reciprocity that has ever been proposed,—neither that of 1854 nor even that of 1873,—has ever looked to any such obliteration. A Customs Union such as I have suggested, would do so, while Reciprocity, by relaxing the official attention to imports from Canada, might result in giving us a *Zona Libera* on our Northern as well as our Southern frontier.

3. Reciprocity would leave Canada in her present position of

commercial dependence upon England, and would encourage her to maintain that position by our removal of the disadvantages which would naturally accompany it. It would give her advantages to which she has no right, and would leave her free to follow a policy hostile to the interests of the continent at large, and European rather than American in its character. Her *political* relations to England are not our concern. So long as "the silken rein" of the British connection pleases her, we all welcome her to wear it. But we surely have a right to expect, in entering upon closer commercial relations with her, a substantial guarantee that she feels herself a part of the great American continent, and is not ready to lend herself to such glittering Imperial schemes as recently found favor in the ministerial councils of the United Kingdom. If we may judge of her own attitude towards those schemes, as it is reflected in the speech made by Sir Alexander T. Galt, when setting out for London as Canada's official representative, she was far from unwilling to entertain them. This official representative of the Dominion expressed his conviction that English Free Trade with the rest of the world having proved a failure, the people of England were awakening to the fact that they had within their Empire a larger market for their manufactures than the rest of the world can ever give them; and also, since the opening of the Manitoba region, an abundant food supply on their own territories. And he pointed to an Imperial Customs Union, by which the colonial markets for manufactures should be guaranteed to England, and the English markets for food and raw materials to her own colonies, by an Imperial Protective Tariff on both sorts of goods, as the goal toward which English public opinion was tending. It is well known that these "great expectations" were inspired and fostered by Lord Beaconsfield. Happily, they have been laid at rest for the present by the results of the English elections; and the new Liberal Government, while less forward in proposals for closer association with the colonies, will be more ready to leave Canada free to control her own destiny.

A Customs Union with the United States would be a final declaration of her Continental sympathies, and her farewell to Imperial aspirations. It would be a declaration of her readiness to unite with us in the great work of developing the resources of our vast inheritance, and the creation of free nationalities of the American type in the New World.

4. A Customs Union with Canada gives every prospect of permanence, while Reciprocity can never do so. Upon the former we can all unite. Neither Protectionists nor Free Traders need have any quarrels with an arrangement which would make Canada, for *business* purposes, one with ourselves. A Reciprocity Treaty will always be a bone of contention between the two parties, and will be exposed to all the fluctuations of party feeling. That of 1854 was a partisan measure, and its abolition in 1867 was equally a party victory.

In view of the fact that we look to our commercial readjustment with Canada for a settlement of the Fisheries Question, it is of the first importance that what is done shall be done to last forever.

5. It may by some be doubted whether Canada is either ready or competent to enter into such an arrangement.

From a close observation of the drift of her opinion, I am satisfied that she *is* ready. In the adoption of the Tariff of 1879, she declared to the world that she meant to make her own interests the foremost consideration in her policy. When told that the policy imperilled the British connection, her reply was, "So much the worse for the connection." She is not thriving, and cannot thrive in her present isolated position, without access to the markets of the Continent, as was shown by her readiness to embrace Lord Beaconsfield's gorgeous but misty visions. We are her last resort, and it only remains for us to put our proposal into a shape which will confer lasting benefits upon the people of the whole Continent, instead of making one-sided proposals, expensive in their results, and with no promise of permanence.

As to her competence, I may quote the words of Sir Alexander T. Galt :

"By the Confederation Act, the Imperial Parliament surrenders to us the complete control of our customs, excise, and every other mode and description of taxation. By that Act Great Britain voluntarily deprived herself of the power of negotiating for this country with foreign countries. She deprived herself of the right to say to Canada 'you shall,' or 'you shall not' impose any particular class of duties. . . That Act has placed us *quoad* commercial questions, in the same position as regards the Imperial Government as we stand in towards any foreign Government."



In these circumstances, would it not be timely to propose an International Commission with Canada, to negotiate a Treaty for the removal of the exciting restrictions on our mutual trade?

I am, sir, with great regard,

Very truly yours,

WHARTON BARKER.

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